

Reply to comments filled by WILCO Electronics Systems:

WILCO Electronics Systems comments start by pointing out that Century Communications is not the standard for PCOs and their argument goes on inferring this PCO is an exception. I live in Lexington Bluegrass Park in Virginia Beach, VA and my community has exclusive and bulk billing problems too.

I have to be thankful that other than paying a monthly fee of \$146.00 for a package that any of our free to choose residential neighbors pays \$99.00, I have no other major problems yet. There is however, the lingering issue of what the network performance will be once the subdivision is completed; since construction is not finish and currently our internet speed leaves a lot to be desired. Verizon just build Fios around us and bypass our subdivision.

Communities around the United States are united in two issues, not paying more for less service and the inability to choose the service provider and level of service we desire.

In my case, I have a 25-75 year contract. The contract was entered by the developer thru his special purpose entity called the Lexington Infrastructure Management LCC during the period of covenant control and contrary to State Condominium Code, which prohibits long term contract by the developer during his control period. Yet, according to state government entities my only recourse is to take the developer to court. This is the same "nepotistic" relation WILCO criticized on their argument, thousand of miles away from Florida. This is not a coincidence.

Almost all new constructions have these exclusive bulk billing arrangements because the Telecommunication Industry have been selling these ideas to builders as money making schemes on their yearly conferences. Almost all the exclusive bulk billing contracts and easements I seen (over 10) come from the same templates, even when they are from different companies. The canned arguments and marketing spins come from the same source.

The consumer comments on this docket are just the tip of the iceberg. Most people are not writing because they don't understand the legal complexities of exclusivity and bulk billing. They don't understand the 3 contracts that typically tie them. The contract between the homeowner and the HOA. The contract between the HOA and PCO. And last the contract between the PCO or the Special Purpose Entity and the provider or providers of video, internet and telephone service. They also don't understand the large number of state, federal and real states laws involved in bulk billing and how these agreements are barely legal. They don't understand who is making money

and how much they are making, since the money trail is hidden, two layers removed from the homeowner. Of course for the smallest PCOs this is not a challenge, most letter entered on this docket by PCOs and real state forums are templates, likely written by their lawyers and publicists. Some were filled by the PCOs lawyers on their behalf. The common person does not have lawyer standing by to write a letter for him, or explain to him the details of his bulk billing agreement.

All these problems started when the FCC allowed the MDU exception to have bulk billing and exclusive arrangements and thru the lack of regulation covering PCOs. Two genuinely good intentions with very bad consequences for consumers and industry. The cable industry wasted no time in turning these two loop holes in a huge revenue scam. Nothing has kept or will keep developers, large cables and PCOs from these abusive contracts until the loopholes are closed. What will keep developers and cable companies from creating a PCO and continue to lock communities from competitions? PCOs take note, we (your customers) don't want your exclusive or bulk billing contracts. We want to be free to choose the best provider and level of service for our needs. Exclusive bulk billing does not offer that freedom.

Listing cable as an amenity is another worn down marketing spin. Pools and workout rooms belong to the community and are located in common areas. Cable infrastructure belongs to the provider. Exclusive bulk billing agreements represent an income drain for HOAs. Houses under foreclosure or empty are still required to pay the mandatory fees. Dissatisfied customer also stop paying and the HOA has to come up with the difference at the end of the month. Typically, the HOA is a collecting point for the money and they don't profit from exclusive bulk billing contracts. In my particular case, discounts were offered on the cable package to entice new sales yet the HOA budget clearly showed expenditures were set at the same level per unit. The builder financed new sales with our capital investment. These practices slowly drain the capital reserves of our HOAs. At the end of day, the HOA may not have funds to pay for the pool or the gym because all funds went to cover an exclusive bulk billing agreement that has gone sour.

Contrary to WILCO's comments, homeowners do have the right and sometimes seek regulatory assistance to settle disputes with HOAs. However, the HOA is the governing body of a group of homeowners and real issues presented are resources versus amenities. In other words, how much pool or gym can we afford? If residents are willing to pay, amenities are endless. HOA communities maintain and update their infrastructure; so they are seldom in the PCOs dilemma of obsolete infrastructure and degraded services. Also HOAs does not profit from services they provide.

PCOs profit from their services and hence are held to the same standards as any other service provider.

Amenities also have the characteristic that they are for the common enjoyment of the community in common areas. My cable service is not a community amenity, but a private service provided to my residence and in that regard it should be the level of service that I desire and not what is imposed by someone else. Just like consumers are free to choose the community they live in, consumer should be free on their private dwelling to enjoy the services they like without intrusive third party contracts infringing on their private property.

On WILCO's comments about price and level of service, all communities that commented on the docket are saying they are all paying more for services that cost less. Bad service is also a big issue. Just like WILCO, I will single out a special situation. Where are the letters on the record from satisfied PCOs customers that should be flooding this docket if what they say about superior service and quality is true? The record shows that only PCOs, real state forums, their lawyers and publicist think they are providing outstanding service. The before mentioned group have one common link; they are all profiting from these arrangements. The rest of the public thinks they are not providing value or good service. The rest of the public have one common link; they are paying top money for inferior or non-rendered services.

Conclusion

No one has problems paying more for better quality or outstanding services. We all have problems paying more for lower quality or lousy services. For those that can't compete your option is clear. I do think PCOs can compete. As the smoke starts clearing and the long held pro-exclusivity/bulk billing arguments start crumbling we see an industry that pays almost 15% of their monthly income in kick backs, on top of sign-in bonuses, and still manages to make a profit at the end of the day. It follows that, thru the elimination of bulk billing and enforcement of universal access laws, PCOs won't have to pay anyone to offer their services. After banning exclusive and bulk billing contracts, PCOs profits will increase allowing them to lower their prices and continue to improve their services. For the before stated reasons, I request the FCC assist PCOs by banning bulk billing and exclusive marketing agreements.